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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants: Brian Shuster	Art Unit: 3625
Serial No.: 09/837,852	Examiner: Mark Fadok
Filed: April 18, 2001	
Title: METHOD AND APPARATUS FOR MANAGING OWNERSHIP OF VIRTUAL PROPERTY	

RESPONSE TO OFFICE ACTION

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

In response to the final Office Action dated June 20, 2007, please consider the remarks below, as follows:

REMARKS

Claims 1-3, 5-12 and 14-17 remain in this application, and are not amended by this response.

A telephone interview with the Examiner and Applicant's attorney was conducted on July 16, 2007. These remarks summarize the substance of the interview and respond to points raised in the "Response to Arguments" section of the final Office Action.

The claims 1-3, 5-12 and 14-17 stand rejected under 35 U.S.C. § 102(e) as anticipated by Johnson. These rejections remain respectfully traversed, for reasons as set forth in Applicant's last response and further explained here. The final Office Action, except for the limited discussion under "Response to Arguments" did not respond to the arguments raised in Applicant's last response, but merely repeated the arguments from the previous Office Action. For the sake of brevity, Applicant's last remarks are not copied here, but are incorporated by reference.

In the Response to Arguments of the last Office Action, it was remarked that "not permitted to possess a digital copy of any of said virtual properties" as defined by claims 1 and 9 encompasses "a condition where the virtual properties are not downloaded to the client's computer and remain on the server." Office Action, page 5. However, this statement is true only so long as the virtual properties must remain on the central server and are not permitted to be downloaded to the client's computer. If downloaded to the client, the virtual properties are permitted to be possessed by users; there seems to be no disagreement on this point. Of course, Johnson teaches that the virtual properties *should* be downloaded to client computers, and so if anything teaches away from "not permitting" the virtual properties to be downloaded. At any rate, even if, for the sake of argument, Johnson discloses "not permitted to possess," the inquiry cannot end here. Claims 1 and 9 define more detailed features that Johnson does not disclose.

Unfortunately, the Office Action ignored the central argument in Applicant's last response. Namely, that Johnson fails to disclose "assigning ownership of the virtual

properties to a plurality of property owners participating in the computer game, said ownership configured through said computer game such that said property owners are permitted to use said virtual properties in said computer game but are not permitted to possess a digital copy of any of said virtual properties," as defined by claims 1 and 9. This point was not addressed in the Response to Arguments, and the Examiner's former arguments to this point have already been rebutted by Applicant's last response.

That is, Johnson discloses nothing, whether in embodiments or criticized prior art, that is operative to store digital property centrally, in which the properties are "virtual properties configured for use in a computer game," as claims 1 and 9 require. The embodiment disclosed in Fig. 10 and discussed at col. 17:25-40 concerns trading of stocks and bonds. Stocks, bonds, and other financial instruments represent ownership interests in money or tangible property, and cannot reasonably be said to read on the "virtual properties configured for use in a computer game" required by claims 1 and 9. Johnson's only other disclosure of a centrally-maintained repository of property objects is the prior-art IBM Cryptolopes system, which Johnson criticizes at col. 1:46-67. No showing has been made that the Cryptolopes system operated to keep virtual properties configured for use in a computer game. The latest Office Action offers no traverse of these factual assertions made in Applicant's last response.

Nor does the latest Office Action respond to the argument made in Applicant's last response that it is improper to argue "motivation to combine" under § 102. Indeed, the last Office Action still rests on an argument requiring a motivation to modify certain features of Johnson. It should therefore be clear that Johnson does not disclose all the elements of claims 1 or 9 arranged as set forth in Johnson, and therefore does not anticipate. A "motivation to combine" argument may be raised in a rejection under § 103, but is not relevant to an argument under § 102. Nor has the Office Action provided any authority for making a "motivation to combine" argument under § 102. Therefore the Office Action has provided no explanation for maintaining a rejection under § 102 that is plainly defective.

Nor does the latest Office Action respond to the argument made in Applicant's last response that "Johnson never suggests that the system for game objects could be improved by maintaining objects centrally." Detailed support for this argument was provided in Applicant's last response. This factual assertion by the Applicant therefore has not been traversed.

Nor does the latest Office Action respond to the argument made in Applicant's last response that "Johnson fails to disclose a system or method that includes "maintaining an inventory of said virtual properties [being virtual game objects] in a centralized database accessible by property owners via a network connection." This factual assertion by the Applicant also has not been traversed.

Failing to disclose or suggest every element of claims 1 and 9 as arranged in these claims, Johnson cannot anticipate them. Claims 2-3, 5-8, 9-12 and 14-17 are also allowable, at least as depending from allowable base claims. These rejections should therefore be withdrawn.

Further regarding claims 7 and 16, it should be noted that whether or not Applicant failed to traverse taking of official notice, this point is no longer relevant, because the rejection based on official notice has been withdrawn. As noted in Applicant's last response, it is improper to base a rejection under § 102 on a combination of a first reference and official notice. In rejecting claim 7 under § 102 the Office Action now cites Johnson at 3:21-32, which discloses

> In another aspect, a method for conducting transactions over a distributed network including one or more computer systems functioning as an owner, authenticator, and provider systems, the method comprising steps of a) indicating, by a first owner, a first owner with whom to trade, b) indicating a trade defining a first set of one or more virtual property items offering to trade and a second set of one or more items which are expected in return for the first set, and c) after both the first and second owner indicate that they wish to trade, confirming that both the first and second owner wish to execute the trade.

Thus, Johnson here discloses facilitating a trade but fails to disclose "allowing at least

one of said property owners to win one of said virtual properties from another property owner in the course of a game" as defined by claim 7. The Office Action makes no argument that trading is the same as winning in the course of a game. Applicant submits that it is not the same thing, and Johnson therefore does not anticipate this claim. It does not matter, as argued on page 7 of the Office Action, that analogous transfers of ownership may be made when a property is traded or won. Disclosure of an analogous process does not amount to anticipation under § 102.

In view of the foregoing, the Applicants respectfully submit that Claims 1-3, 5-12 and 14-17 are in condition for allowance. Reconsideration and withdrawal of the rejections is respectfully requested, and a timely Notice of Allowability is solicited.

To the extent it would be helpful to placing this application in condition for allowance, the Applicants encourage the Examiner to contact the undersigned counsel and conduct a telephonic interview.

While no fees are believed due in connection with the filing of this paper, the Commissioner is authorized to charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account No. 50-3683.

Respectfully submitted,

Date: August 17, 2007

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